

MONUMENT LIGHTHOUSE CHARTER SCHOOL

2011-2012 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	The school presents significant concerns in no more than <u>one</u> of the following areas: a) its state financial audits (e.g., presence of “significant findings”); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor’s Office.

2011-12 Performance: **Exceeds Standard**

A) The School’s Financial Audits (e.g. presence of “significant findings”)

Monument Lighthouse Charter School (MLCS) has no material weaknesses or significant findings in their audit. The firm that completed the audit, Fitzgerald & Isaac stated, “In our opinion, the financial statements...present fairly, in all material respects, the financial position of Monument Lighthouse Charter School as of June 30, 2012 and 2011.”

B) The School’s Financial Staffing and Systems

The school has established adequate staffing and systems for managing its finances. Their staff includes Bob Stearns, the Vice President of Finance at the Lighthouse Academies, who works with the school’s local staff including Sarah Pies and the school leaders to manage the finances and operations. In addition to the school leaders and the Vice President of Finance, the school’s finance team includes the Business Manager, Controller and Staff Accountant. The school follows established internal controls documented in the Lighthouse Academies School Procedure Manual and the Indiana State Board of Accounts Charter School Manual.

C) The School’s Success in Achieving a Balanced Budget Over the Past Three Years

Based on a review of MLCS’s finances for 2011-12, the audit showed that the school was able to achieve a balanced budget for the past three years. The school started with \$254,227 in net assets at the beginning of the 2010-2011 school year and had revenues over expenses of \$34,606. In the 2011-12 school year, the school started with \$283,883 in net assets and had revenues over expenses of \$33,565 leading to net assets of \$322,398 at the end of the year. These assets reflect

depreciation and interest expenses. The school's performance over the last 3 years indicates its ability to adhere to its budget.

D) The Adequacy of the School's Projections of Revenues for the Next Three Years

The school has provided robust budget projections for the next 3 years. The projections anticipate the school generating positive net income and having a positive ending balance for the next 3 years. The table below shows expected net income and ending balances for the coming years.

Year	Net Income	Ending Balance
FY '13	\$190,511	\$322,399
FY '14	\$330,019	\$650,150
FY '15	\$100,364	\$750,514

Though we have no concerns with the school's projections, we will continue to work with the school to ensure they remain on track financially.

E) The School's Fulfillment of Financial Reporting Requirements under Sections 10 and 17 of the Charter Agreement

The school has fulfilled financial reporting requirements under Sections 10 and 17 of the charter agreement.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

2011-2012 Performance: Approaching Standard

Monument Lighthouse Charter School did not meet its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2011-12	620	608	1.9%

Source: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.

The 2011-12 attendance rate at MLCS was above the averages of both the county and the state.

	MLCS	MC	IN
2011-12 Attendance rate	96.13%	96.06%	96.1%

Based on the 2011-12 performance, MLCS is approaching the Mayor's Office standard for this indicator because they did not meet their target enrollment, but exceeded the county and state attendance rate for the 2011-2012 school year.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The school's board a) contributes a broad skill set and is reflective of the community; b) is knowledgeable about the school and able to make decisions in a timely fashion; c) has policies and by-laws that are consistently followed, regularly reviewed, and include clearly defined roles and responsibilities for members; d) consistently achieves quorum and adheres to Indiana's Open Door Law; e) records meeting minutes that are thorough, accurate and transparent; f) regularly conducts a formal evaluation of the school against established academic, financial and operational performance goals; and g) has a written plan for the succession of leadership.

2011-2012 Performance: Does Not Meet Standard

In 2011-12, Lighthouse Academies of Indiana (LAI) served as the governing Board to all five Indiana Lighthouse schools, including Indianapolis Lighthouse Charter School. By-laws were created in 2009-10 to form an LLC Board, to serve as a local Board and provide governance to the two Indianapolis LAI charters. The LLC Board (local Board) was designed to interface with the LAI Board by having two representatives who would also serve on the LAI Board. However, the charter for ILCS is held by the LAI Board. In 2011-2012, the LLC Board was in place for its second year.

Board membership was relatively stable in 2011-12, but two of the seven members resigned. Additionally, two of the seven LAI Board members were also employees of Lighthouse Academies, the school's Charter Management Organization (CMO). This relationship leaves the board structurally dependent upon and connected to the CMO, which the Board was tasked with overseeing, due to non-Lighthouse Academies employees not making meetings in person consistently. Nonetheless, the LAI Board was relatively active in its oversight of ILCS finances, student performance, facilities, and technology.

In terms of the LLC Board's minutes, quorum was consistently achieved and roles and responsibilities were clearly delineated, however the board lost two of its members throughout the year and was still in the process of establishing an understanding and knowledge of the school, also of basic governing practices to provide clear, consistent, and competent stewardship. The LLC Board's responsibilities included advising the LAI Board regarding the school's budget, recommendation of principal candidate, personnel decisions, performance review of the principal, and oversight of the curriculum. The LLC Board struggled to develop its knowledge of governing practice, significantly impairing competent oversight of the school. The LLC Board,

although having clearly designated roles and responsibilities, has yet to achieve stable and well balanced membership expertise which can provide clear, consistent, and competent oversight of the school. Accordingly, the school does not meet the Mayor's standard for this indicator for 2011-12.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2011-2012 Performance: **Meets Standard**

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, 90% of MLCS parents reported overall satisfaction with the school. According to the data, the school meets the Mayor's Office standard for performance for this indicator for the 2011-12 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.

2011-2012 Performance: **Approaching Standard**

The administration at Monument Lighthouse Charter School lacked stability because of turnover in which the elementary/middle and high school principals left after the 2011-12 school year. Overall, the school leadership had sufficient academic expertise, was improving processes to clearly defining roles and responsibilities among and between leaders and the board, and the school had demonstrated active engagement in continuous improvement academically, but continued to struggle with school culture which impaired the establishment of high expectations for staff, students, and parents. The administration included a principal for K-7, a principal for grades 8-9 (growing up to grade 12), and instructional leader, as well as a Regional Director (RD) employed by the school's Charter Management Organization. The RD was an experienced attorney, but had limited experience in education administration and school leadership.

The RD was charged with providing oversight, training, and supports for the school's administration. The RD was also integral in monitoring continuous improvement, appropriate implementation of the Lighthouse Academies curriculum, implementing a culture of high

expectations, achievement of strong academic and operational performance, as well as overseeing how well school leaders organize operations and resources to implement the school's arts-infused, college preparatory mission. Review of board minutes and school leader reports revealed some school leader stability, engagement in a process of improvement, and a pursuit of strong academic performance. There was also a decline in the amount of parents/staff who reached out to the Mayor's Office concerning school leadership impairing culture; however phone calls were still present. It should be noted that both principals were terminated by the CMO at the conclusion of the 2011-2012 academic year.

Roles and responsibilities between the RD, who was an employee of the CMO, and the school principals and instructional leader, appeared to be clearly defined and understood by all stakeholders; however it was unclear if the RD was effective in his role. The RD was terminated by the CMO after several months and a new RD was hired in the school's spring semester,—marking three RD's being employed by the CMO in less than one academic year. The new RD has previous experience in teaching and education administration; however it was too soon to determine her impact on administrative performance. With turnover at the RD position and the loss of both principals, who both play a significant role in the school's academic and operational growth, the school's Board was and will be challenged with staffing key positions within MLCS's administrative structure. Accordingly, the school is approaching the Mayor's standard for this indicator.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not Evaluated. Monument Lighthouse Charter School did not have school-specific organizational and management performance goals to be evaluated for 2011-12.